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Central Intelligence Agency



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Honduras: Strong Pro-US Policy

Honduras continues its hardline opposition to domestic and regional leftist radicals. The Honduran military recently sent some 1500 troops to the Salvadoran border to aid a large Salvadoran counterinsurgency operation. [REDACTED]

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In retaliation, the Salvadoran insurgents have stepped up their aid to Honduran terrorists, which only number a few hundred. Several US subsidiaries were the target of a recent bombing attempt in Tegucigalpa, and the terrorists may attempt to hit key economic targets such as bridges and power plants. The Sandinistas also have issued new warnings about Honduran support for anti-Sandinista groups. [REDACTED]

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President Suazo and General Alvarez have shown no indication of backing down, however, despite increasing domestic and foreign criticism of their policies. Suazo is relying on the constitutional mandate given him in the late 1981 elections. He has given the military a relatively free hand to crack down on the domestic opposition, however, leading to charges that he has allowed them too much authority. [REDACTED]

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Economic activity has continued to stagnate, following a trend of the last several years. Despite a recent disbursement of \$42 million under an IMF agreement, a strong recovery is not likely in the near future. Low commodity prices for agricultural exports and continued regional unrest are the underlying reasons for the depression. [REDACTED]

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